

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: OMB/Insurance & Benefits

AGENDA DATE: October 18, 2005

CONTACT PERSON/PHONE: David Almonte

DISTRICT(S) AFFECTED: All

SUBJECT:

Approve a resolution that the City amend and restate the 457(b) Deferred Compensation Plan document in order to update and incorporate some of the revisions made to Section 457 of the Code and that the City Manager be authorized to sign the Restated 457(b) Plan.

BACKGROUND / DISCUSSION:

The original Deferred Compensation Plan for Public Employees Plan Document was written in 1989. It has been amended twice - in 1997 and 2002. Changes in the Internal Revenue Code have now been incorporated into the restated plan document. Some of these changes include loan provisions, small balance withdrawals, transfer from other 457(b) plans, eligible rollover distributions from eligible retirement plans of another employer and transfer of amounts to a state or local retirement system under certain conditions. The amended and restated plan document was drafted in consultation with a tax attorney. There are no citizen or department concerns

PRIOR COUNCIL ACTION:

The Council has not previously considered this item.

AMOUNT AND SOURCE OF FUNDING:

The 457 Deferred Compensation Program is employee supported.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*******REQUIRED AUTHORIZATION*******

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

CITY CLERK DEPT.
05 OCT 14 PM 12:54

RESOLUTION

WHEREAS, the City of El Paso (the "**City**") has a 457(b) Deferred Compensation Plan For Public Employees (the "**457(b) Plan**");

WHEREAS, the 457(b) Plan document was written in 1989 and was amended in 1997 and again in 2002;

WHEREAS, since the 457(b) Plan was last amended in 2002, Section 457 of the Internal Revenue Code (the "**Code**") has been revised on several occasions, but the 457(b) Plan document has not been updated to reflect such revisions;

WHEREAS, certain revisions to Section 457 of the Code benefit participating City employees (the "**Participants**") by permitting the following:

- (i) that Participants borrow against contributions made to the 457(b) Plan;
- (ii) that Participants make small balance withdrawals;
- (iii) that Participants transfer funds from other 457(b) Plans;
- (iv) that eligible rollover distributions from eligible retirement plans be made; and
- (v) that under certain conditions Participants transfer amounts in the 457(b) Plan to state or local retirement systems; and

WHEREAS, the City desires to amend and restate the 457(b) Plan document in order to update and incorporate some of the revisions made to Section 457 of the Code.

NOW, THEREFORE BE IT RESOLVED:

1. **THAT** the City hereby amends and restates the 457(b) Plan document in order to update and incorporate some of the revisions made to Section 457 of the Code;

2. **THAT** the City hereby adopts the amended and restated City of El Paso 457(b) Deferred Compensation Plan for Public Employees entered into by and between the City and ING National Trust (the "**Restated 457(b) Plan**"), attached hereto, effective as of September 1, 2005; and

3. **THAT** the City Manager be authorized to sign the Restated 457(b) Plan.

ADOPTED this _____ day of _____ 2005.

(Signature page to follow)

SIGNATURE PAGE

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

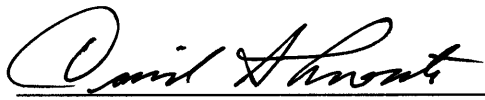
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:



David Almonte, Director
Office of Management Budget